

Decision Maker: Portfolio Holder

Date: 19th November 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **DEMENTIA RESPITE AT HOME SERVICE - AGREEMENT TO EXTEND THE CONTRACT**

Contact Officer: Heather Sinclair-Constance, Integrated Strategic Commissioner
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Chief Officer: Kim Carey, Director of Adult Services

Ward: Not Applicable

1. REASON FOR REPORT

- 1.1 The Council has a contract with Bromley, Lewisham and Greenwich (BLG) Mind to provide a respite service for carers of older people with dementia to help them maintain their caring roles.
 - 1.2 The service commenced on 1 April 2017 for a period of 3 years, expiring on 31 March 2020. There is an option to extend the contract for up to a further two years on a 1+1 basis. The estimated annual value of the contract was £178k, with a whole life value (including extension options) of £892k.
 - 1.3 The provision of dementia respite at home has substantially increased over the past year and this has resulted in a budget pressure that is not sustainable.
 - 1.4 This report presents options for consideration in recognition of the contract expiry date and the pressure upon the allocated budget and seeks Portfolio Holder agreement to progress in accordance with the recommended Option 2 detailed in the report at 4.2.2.
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2. RECOMMENDATION(S)

- 2.1 The Portfolio Holder for Adult Social Care, in accordance with Option 2 detailed in the report at 4.2.2 is recommended to:
 - i) Approve the extension of the contract for a period of 1 year. The extension will commence from 1 April 2020 until 31 March 2021 with a further one year extension option remaining.
 - ii) Approve a variation to the hourly rates of the contract as set out in 4.2.1 and 4.2.2.

- iii) Approve the commencement of charging based on financial assessment for the dementia respite at home service with effect from 1 April 2020 in accordance with the Council's existing charging policy.
- iv) Agree the proposed move to Direct Payments for this service from April 2021 with the Council undertaking market engagement with providers and communication with service users to facilitate implementation over the next year.

Impact on Vulnerable Adults and Children

1. Summary of Impact: To provide a borough-wide respite service for all carers of older people with dementia enabling them to maintain their caring roles.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost £209k to £232k for one year (dependent upon demand and net of charging)
 2. Ongoing costs: Recurring cost. £as above
 3. Budget head/performance centre: Adult Social Care: Education, Care and Health Services
 4. Total current budget for this head: £167k
 5. Source of funding: Better Care Fund
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Currently approximately 90 users and their family carers.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A.

3. COMMENTARY

- 3.1 Respite at Home Services play a vital role in providing support for the carers of people with dementia, including those with Young Onset Dementia, enabling them to remain living at home as members of the community and delaying the requirement for statutory services.
- 3.2 The Council is committed to ensuring that people in Bromley live an independent, healthy and happy life for as long as possible. The Council and Bromley CCG have developed a Joint Strategy for Carers 2016 to 2021. There is a vision over the next five years for Bromley to develop a thriving carer community where carers are heard, connected and supported.
- 3.3 The strategy supports both national and local priorities including the Care Act 2014 and the Carers Action Plan 2018 to 2020, which builds on the National Carers Strategy (2008).
- 3.4 According to the 2011 Census, there are over 30,000 people living in Bromley who undertake an unpaid caring role. Most of these people do not see themselves as carers; they see themselves as carrying out their responsibilities. In accordance with the Care Act, the Council has responsibilities towards all carers, as well as the people that they care for.
- 3.5 In England, around 5.4 million people identified themselves as providing care for family members and friends, of which about 160,000 are children aged between 5 and 17 years old. These people are termed 'carers' or sometimes 'unpaid carers'. According to the Care Act 2014, a carer is someone aged 18 or over who provides, or intends to provide, care and support, or looks after a family member, partner or friend who needs help because of their age, physical or mental illness, or disability. About 1.4 million of these carers provide 50 or more hours of care every week. It is estimated that the cost of providing this unpaid care in England would be equivalent to £108 billion a year.
- 3.6 It is important to provide support to carers to enable them to continue in their caring role. Respite care comes in various forms but is normally either:
- Care provided in care homes – residential
 - Care provided at home – sitting services
- 3.7 Bromley's Dementia Respite at Home Service assists carers supporting people with dementia to maintain their own health and wellbeing and helps to prevent the breakdown of informal care. An assessment of need is completed for the carer and the cared for person to determine their eligibility for respite care and support. This contract only relates to referrals that have been pre-authorized by the Council's Social Care Team. The cared for person will have eligibility needs arising from dementia being their primary need.
- 3.8 A weekly allocation of up to 3 hours respite may be offered per week dependent upon need, which can be 'banked' to facilitate a longer period of respite.
- 3.9 A review of the Respite at Home Service was completed in July 2019. The analysis of the findings has informed the proposed commissioning intentions in relation to this service.

- 3.10 The contract for the Dementia Respite at Home Service is funded by the Council from existing Adult Social Care budgets (Better Care Fund). It has been in place with BLG Mind since 1 April 2017 and will expire on 21 March 2020. There is an option to extend the contract for up to a further two years on a 1+1 basis. The estimated annual value at the outset of the contract was £178k with the cost funded from ending the block provision of 3 respite beds. The current budget is £167k, and the projected cost for 2019/20 is £197k, a £30k over spend.
- 3.11 When the contract was first awarded, demand was expected to remain constant at approximately 200 hours per week with the budget set accordingly. Increased demand is generating an overspend forecast at £30k in the current year and approximately a £62k overspend is projected in 2020/21 (assuming the increase in the number of hours continues).
- 3.12 BLG Mind have stated that their original contract rates are not sustainable. They have advised that in order to extend the contract for one year, they require an uplift if volumes remain at current levels. If volumes were to reduce (in the event of LBB implementing a cap on usage or charging service users for the service) then their cost bandings and hourly rates would increase to enable recovery of their fixed costs.

The increased hourly rates are detailed in Part 2 of this report.

BLG Mind have openly shared their cost models with the Council in support of these uplifts.

- 3.13 In consideration of the contract end date, the financial viability of the extension to BLG Mind, the duty upon the Council to meet the needs of carers and the financial pressures faced by the Council, this report presents options for consideration by the Portfolio Holder as detailed below.

4. SUMMARY OF THE BUSINESS CASE

- i) The population of Bromley currently stands at approximately 330,000 and is predicted to increase by a further 10% in the next 10 years, with 1 in 10 residents being over 75 by this time. According to the 2011 Census, there are approximately 30,000 unpaid carers in Bromley, which equates to 10% of the population. One of the key aims of the Dementia Respite at Home Service is preventing the breakdown of informal care by enabling the carer to have a break from caring. The Service is the only respite provision offered free to Bromley residents. Access to other care and support services is based on a financial assessment and, if a person is unable to fund their support, the support package is funded by the Council through a Personal Budget.
- ii) Budget pressures have arisen from a combination of increased demand above the levels originally anticipated at the outset of the contract and the financial viability of the contract for the provider, leading to a request for increased rates in 2020/21.
- iii) Without an increase in rates, the provider has confirmed that they will not be able to agree to extend the contract beyond March 2020.
- iv) It is proposed to move this service to a Direct Payments model in line with the Councils overall approach to enhancing the Direct Payments Offer. However, implementing this by April 2020 is problematic and therefore it is recommended that this is introduced from April 2021.

- v) 2020/21 will therefore be a transitional year in which the contract will be extended for one year at the higher unit rates to allow time to introduce the Direct Payments model. Introducing a charging model in 2020/21, in line with the Councils existing charging policy, will help to reduce existing budget pressure.

4.1 SERVICE PROFILE/DATA ANALYSIS

4.1.1 The contract with BLG Mind to deliver the Dementia Respite at Home Service commenced on 1 April 2017 and will expire on the 31 March 2020. There is an option to extend the contract for up to a further two years on a 1+1 basis.

4.1.2 There are two components of the service:

- Respite at Home (also referred to as the 'Sitting Service')
- Weekend and Overnight Respite (using 'saved up' provision)

4.1.3 The Respite at Home Service enables carers to sustain their role as carers with a planned programme of regular breaks from caring and through the provision of emotional support so that carers have an opportunity to share problems and feelings.

4.1.4 The Weekend and Overnight Respite Service is a specialist service provision. By providing overnight care, it enables carers to have a longer break away from home with the reassurance that the person they care for can remain in the family environment and familiar domestic routines. Carers can save up their weekly allocation to fund this.

4.1.5 The Council's Contract Compliance Team undertakes regular monitoring of the Dementia Respite at Home Service. Monitoring indicates that service delivery is of good quality and the outcome of the last CQC inspection was a 'Good' rating. The Dementia Respite at Home Service Staff Team are well regarded by service users and professionals supporting people with dementia.

Performance Analysis

4.1.6 Bromley Adult Social Services are the only referral source for this service. At the end of March 2019, 180 people were registered for the Respite at Home Service. Demand for the service increased by 52% from April 2018 through to December 2018, which resulted in a waiting list of 79 by the end of December 2018. There were a number of staff vacancies at the provider during this time.

4.1.7 At the end of the 2019/20 quarter 1 monitoring period, the service confirmed 18 people were on the waiting list.

4.1.8 BLG Mind is providing an average of around 260 hours of support per week.

Contracting Model

4.1.9 The contract for the service was let on a banding basis depending on activity levels for the initial three year period. The levels outlined in the service specification were based on the 2016/2017 evaluation of activity levels, which were estimated at around 200 hours of care per week.

4.1.10 BLG Mind wrote to commissioners in May 2019 explaining that the organisation is unable to sustain the service at the original contract price. The organisation cites

changes to CQC regulations and associated training costs along with an increase in staff salaries (to bring them into line with the sector) as reasons that have led to the budget deficit.

4.2 OPTIONS APPRAISAL

4.2.1 Option 1: Extend the Contract for One Year (2020/2021) At Increased Rates and Move to Direct Payments from 2021/22

BLG Mind have advised the Council that they are only willing to extend the contract for a maximum of 1 year if the rate is increased from the current high volume rate. In the event that volumes decrease, hourly rates would increase to enable the recovery of fixed costs.

The increased hourly rate and annual cost modelling on the proposed revised rates has been provided and is detailed in Part 2 of this report.

Benefits of this option	Disbenefits of this option
It enables continuation of the service for a further year allowing the Council time to undertake detailed market engagement and introduce new providers and move to Direct Payments based provision in a measured way from April 2021.	The budget is likely to overspend by approx. £62K in 20/21.
It enables BLG Mind to internally manage the proposed move to Direct Payments' in April 2021 in a structured way.	The Council continues to treat this service differently from other (charged for) services for a further year.
Demand is unlikely to reduce to below 250 hours and so would not trigger a significantly higher rate.	No specific steps being taken by LBB in 2019/20 to manage demand.

4.2.2 Option 2: Extend the Contract for One Year at Increased Rates and Introduce Charging for Services in 2020/21, moving to Direct Payments in 2021/22

As detailed in 4.2.1, BLG Mind have advised the Council that they are only willing to extend the contract for a maximum of one year based on revising the rate for the current volume of hours. They have also provided costings for increased hourly rates to enable the recovery of fixed costs should the volume of hours per week reduce. The variable rates and volumes have been modelled as detailed in 4.2.1 of the Part 2 report.

Extending the contract at increased rates without reducing demand would lead to a forecast overspend against current budgets of £62k.

Capping the number of funded hours to meet the current budget level would mean reducing the average hours down to approximately 140 hours per week – a 47% reduction against current levels of demand. This is not recommended, not only because of the risk of not meeting need but also because it would not be possible to do so equitably. However, the service is not currently charged on the basis of a financial assessment of service users.

Implementing charging in 2020/21 would be both in accordance with the Council's charging policy for all other services and is allowed for under the terms of the existing

contract. Introducing charging could reduce demand for the service in an equitable way whilst generating a level of income to offset overall expenditure. As service users are financially assessed, the service will still be available free of charge to those without the means to fund it.

Commissioners have forecasted the financial impact of introducing charging for the service to establish the number of service users that will be charged. From analysis of current service users, approximately 60% are assessed as self-funders. Assuming this percentage of self-funders would continue, income would be received that would reduce the net costs to LBB.

The estimated impact of the increased hourly rates and introduction of charging has been calculated and is detailed in Part 2 of this report.

As with Option 1, the intent of the Council would be to move to a Direct Payments service from 2021/22. This would bring the Dementia Respite at Home Service in line with our stated aim to increase the number of services accessed through Direct Payments. The outcomes of introducing charging in 2020/21 will inform the market engagement process and provide a steer on future demand, supporting the preparations for transition to a full Direct Payments service.

Benefits of this option	Disbenefits of this option
Brings the service into line with other charged for services.	There is a low probability that service users refuse to pay and care breaks down resulting in increased costs to LBB.
May reduce demand that results in reduced cost to the Council.	May reduce demand that results in the hourly rate moving into the higher cost banding (although this is forecast to be offset through income).
Is expected to result in additional income that could be used to offset costs.	
Would reduce the overall budget pressure.	
It is equitable and in line with existing policy.	
It enables the Council to undertake detailed market engagement and introduce new providers and move to Direct Payments based provision in a measured way in April 2021.	
It enables BLG Mind to internally manage the move to Direct Payments' in April 2021 in a structured way.	

4.2.3 Option 3: Decommission the Service - Allow the Contract to Expire and Offer Direct Payments

The Council could allow the Dementia Respite at Home Service contract to expire on 31 March 2020 and from 1 April 2020 offer Direct Payments' to service users who would be financially assessed.

To facilitate the roll out of Direct Payments' the Council would need to undertake market engagement with a view to establishing a range of specialist Dementia Respite at Home Service providers in Bromley by April 2020. It would be necessary for the Council to establish spot purchase arrangements with providers for service users who did not wish to receive Direct Payments'.

Service users would all need to be reviewed before the end of March 2020 to enable the transfer.

Benefits of this option	Disbenefits of this option
Brings the service into line with other charged for services.	It is likely to be difficult to complete market engagement and attract new providers over a shortened timeframe leading to service user dissatisfaction.
May reduce demand that results in reduced cost to the Council.	The timescales may be difficult for carers to manage leading to service user dissatisfaction.
Would result in additional income that could be used to offset costs.	The Council would have less time to undertake detailed market engagement and introduce new providers before moving to Direct Payments based provision in April 20.
It is highly probable that the net budget would not be exceeded in 2020/21.	BLG Mind would have less time to internally manage the decommissioning of their service and this could negatively impact both the service provision to end users and the viability of the provider.
It is equitable.	There is a low probability that service users refuse to pay and care breaks down resulting in increased costs to LBB.

4.3 PREFERRED OPTION

- 4.3.1 All Options follow the same path of moving to Direct Payments and enabling the move through market engagement, service user communication and care and financial assessments.
- 4.3.2 Option 1 is not recommended due to the budget overspend that would result, the lack of any action to manage demand and the continued inequities in terms of charging and provision.
- 4.3.3 Option 3 is not recommended due to the high risks of moving to a Direct Payment model in a very short timeframe, with potential negative impact on service users and the provision.
- 4.3.4 Option 2 reduces the budget pressure in 2020/21 and offers a smoother and more measured transition to Direct Payments'. It also moves the service in line with the Council's charging policy.
- 4.3.5 In consideration of the issues above, Option 2 is recommended to facilitate a more measured transition to Direct Payments' whilst reducing budget pressures in 2020/21.

4.4 MARKET CONSIDERATIONS

- 4.4.1 The Council undertook an initial engagement process with service users (people with dementia and their carers), professionals supporting people with dementia as well as senior managers and frontline staff from the Dementia Respite at Home Service. The key findings are outlined in 5.1 onwards.
- 4.4.2 Further market engagement and co-production will be carried out in the form of market engagement events with service users, professionals and providers to help

develop a range of specialist dementia respite providers. Commissioners believe that there is a pool of viable providers in the Bromley market due to the growth of community based support provision for people with dementia, their carers and professionals. This increase has helped to stimulate the market over the 3 year contract period of the respite service.

- 4.4.3 It is important for the provider to have a local base to interact with care coordinators and to be skilled in the provision of specialist respite at home services for people with dementia. The scoping identified that there are local providers of specialist dementia services in Bromley other than the existing provider.
- 4.4.4 A benchmarking exercise will be conducted to understand the Dementia Respite at Home Service models commissioned by other London Councils.

5. STAKEHOLDER ENGAGEMENT

5.1 An extensive consultation and engagement exercise was undertaken by the Council and Bromley CCG from June to July 2019 as part of the Service Review. Online and hard copy surveys were completed by people with dementia, their carers and professionals who support them. 77 surveys were completed by professionals and 94 by people with dementia and their carers. In addition, commissioners interviewed senior managers from the current provider and Adult Social Care as well as focus groups sessions with front line staff.

5.2 The key findings from the initial engagement process were:

- There is a high level of satisfaction with the services provided by the Dementia Respite at Home Service with a high proportion of respondents not finding anything that could be further improved or providing recommendations on areas of development that were seen as tweaks rather than major improvements.
- Service users and professionals valued and appreciated the knowledge and understanding of staff, having someone to contact for advice and support, the high quality of the service, how friendly and welcoming staff and volunteers were.
- There needs to be more support for carers (including young carers) such as accessible training and more respite to enable carers to have a break and attend groups and courses. The needs of carers were consistently raised throughout the survey.
- Waiting times for some services need to be reduced – perhaps consider providing additional capacity or funding so that more staff and befrienders are available.
- There needs to be further targeted promotion of the range of services that are provided to raise awareness of what is available with clarity on what service provides what support. This is particularly important for those services that have a lower take up such as the Weekend and Overnight Service; only a small number of respondents were aware of the service but it was highlighted as a major need.
- Review the scope and future delivery model of the Weekend and Overnight Service, which was also highlighted as a priority in Bromley's Loneliness Initiative.
- Provide clear information to professionals about the referral routes into the service.
- A range of other dementia support services are available in Bromley and were used by some respondents. Service users and professionals felt that providers

should be encouraged to promote all of the local dementia services as well as publicising the offer where possible.

- Commissioners will seek feedback on affordable respite, activities that could take place at the weekends including going out, being more active, physical activity and more support for people with Early Onset Dementia. This will be established via market engagement events to the development of the commissioning intentions in February 2020.
- Consider the reach of the service and if it is covering all areas of Bromley.

5.3 Information gathered through the consultation and engagement exercise was used to help inform this paper, it will also help to inform the transition to a Direct Payments service from 2021/22.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

6.1 **Procurement Strategy and Contract Proposal:** Authorisation is sought from the Portfolio Holder for ACS to approve a contract extension of the Dementia Respite at Home Service for 1 year in accordance with the arrangements and associated terms detailed at 4.2.2. The extension period will commence on 1 April 2020 until 30 March 2021.

6.2 The Portfolio Holder is also asked to approve a variation to the contract to enable payment of the revised rates.

6.3 **Estimated Contract Value —£209k to £232k per annum (estimated) based on variable demand.**

6.4 **Other Associated Costs** – Potential income to offset contract costs through the introduction of charging is forecast at £126k - £139k. There may be some costs associated with administering the charging arrangements.

6.5 **Proposed Contract Period** – 1 April 2020 to 31 March 2021.

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

7.1 There are no sustainability related issues that would result from the recommendation within the paper.

8. POLICY CONSIDERATIONS

8.1 The Dementia Respite at Home Service is delivered in accordance with the Care Act 2014. It delivers on the Council's vision to support people in Bromley live an independent, healthy and happy life for as long as possible as well as the joint strategic approach to supporting carers outlined in the Joint Strategy for Carers 2016 to 2021.

8.2 By 2021, the joint vision is to have a thriving carer community where carers are heard, connected and supported.

9. IT AND GDPR CONSIDERATIONS

9.1 The service specification will include the standard wording and expectations upon providers in relation to IT and GDPR by the Council.

10. PROCUREMENT RULES

- 10.1 This report seeks a one year extension to the contract with Bromley, Lewisham & Greenwich Mind, utilising the formal extension option built into the contract, the proposed value of the proposed extension being an estimated £232k.
- 10.2 The Council’s requirements for authorising an extension are covered in CPR23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following the Agreement of the Chief Officer, Director of Corporate Services, Director of Finance and the Assistant Director of Governance and Contracts.
- 10.3 Following Approval, the extension must be applied via a suitable Change Control Notice, or similar, as specified.
- 10.4 The actions identified in this report are provided for within the Council’s Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

- 11.1 Please refer to the Part 2 report.

12. LEGAL CONSIDERATIONS

- 12.1 This report seeks a one year extension to the current contract with Bromley, Lewisham & Greenwich Mind. The Contract commenced in 1 April 2017 and is due to expire on 31 March 2020. Clause 2.2 allows for an extension of 1 year (and a further 1 year if required) and the proposed value of the extension being an estimated £232k as detailed. Any variation to the contract must be agreed in writing and signed in accordance with Clause 12 of the contract.
- 12.2 The Council’s requirements for authorising an extension are covered in CPR23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following the Agreement of the Chief Officer, Director of Corporate Services, Director of Finance and the Assistant Director of Governance and Contracts.
- 12.3 Following Approval, the extension must be applied in accordance with Clause 12. A change control notice could be used.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	